

Large Lot Industrial Forum

August 29, 2013

2p-4p

Redmond Public Works Training Room, 243 E. Antler Ave., Redmond OR 97756

NOTES

Present:

Scott Edelman (City of Prineville), Gary Farnsworth (ODOT Region 4), Sierra Gardiner (OBDD), Peter Gutowsky (Deschutes County), Tom Hogue (DLCD), Clark Jackson (OBDD), Roger Lee (EDCO), Annette Liebe (Governor's Office), Brian Meece (COAR), Heather Richards (City of Redmond), Bill Robie (Central Oregon Association of Realtors), John Russell (DSL), Karen Swirsky (DLCD), Bill Zelenka (Crook County)

Staff: Scott Aycock (COIC), Andrew Spreadborough (COIC), Tami Geiger (COIC)

1. Welcome and Introductions

The meeting attendees introduced themselves and the organizations they represent.

Andrew opened the meeting and explained that the next step in the Large Lot Industrial process was to identify potential sites for the region. Heather Richards asked whether EDCO and 1000 Friends were invited. Andrew assured the group that they were invited and he was expecting Roger Lee (EDCO) but that 1000 Friends does not currently have a local employee in Central Oregon. However, a representative is receiving all email updates about the process.

Andrew explained that the group had reached a milestone with the development of the LLI project and had created a Central Oregon solution that demonstrated the region's spirit of collaboration. He thanked Karen Swirsky, Tom Hogue, Heather Richards, and Peter Gutowsky especially for their efforts spearheading the project. Karen Swirsky added that COIC had done a great job facilitating the project and that the DLCD was impressed with their work.

2. Status Update

a. Brief Project Overview

Tom Hogue explained that the project began with the recognition of the need for a regional definition and solution for industrial land needs in Central Oregon. He explained that there was an obvious demand for industrial land that wasn't being met. He hoped that they had created a transferable model for other areas around the state.

b. Adoption of Regional Analysis & Ordinances

Andrew directed the groups' attention to the meeting materials. He explained that all three County Boards of Commissioners had adopted the Central Oregon Large Lot Industrial Land Need Analysis, regional large lot industrial land policies, and an IGA authorizing COIC as the regional coordinator. The Cities of Bend, Madras, Prineville, Redmond and Sisters also adopted the IGA (Cities of La Pine, Culver and Metolius have not yet signed). The OR Administrative Rule required each County and at least one City within each County to sign the IGA in order to move forward and they had met and exceeded this requirement.

c. Regional IGA

Tom Hogue asked about lessons learned from the IGA process. Andrew explained that each of the different signatories required independent legal review. This was time-consuming but necessary. Tom asked whether the IGA could be used in other areas or if it was too personal to Central Oregon. Bill Zelenka responded that the IGA was possible because of established trust with COIC. He continued that an intergovernmental agency that had conflict in the past may struggle to get the Cities and Counties to sign on. Heather Richards added that one struggle was to decide between generality and specificity, but the specifics of the IGA made it easier to identify and select potential sites. Karen Swirsky added that the challenge in writing the IGA was to make COIC's role clear. Scott Edelman added that keeping Prineville's elected officials educated throughout the process made it easier to pass. Bill Robie expressed his disappointment that Bend would not be participating to a large extent in the program, and therefore it would not have a large impact there.

d. Deschutes County products

Peter Gutowsky passed out three handouts. He explained that the first showed a milestone timeline (2007-present) of the LLI project and the next two were meant to provide a user-friendly summary of the program, and described the Deschutes County role in developing the regional analysis, comprehensive plan policies, and Lessons Learned memo.

Annette Liebe asked whether the lands could only be used to attract out of region entities or if they could be used by local entities. Tom Hogue explained that the demand for land was determined to not be generated by the local population, but if a local traded sector business needed to expand to the site they could. John Russell added that there aren't many entities (even nationally) that would demand a site of 200+ acres.

Peter continued that once Deschutes County had finished the Analysis and policies it transitioned to work with COIC and the City of Redmond to determine how to identify a candidate site. He also acknowledged the collaboration of the DLCD providing seed money for the project and suggested that the DLCD use TA grants to fund pilot projects of this nature in the future. He explained that the Counties were passing the baton to COIC and the individual cities to identify sites.

e. City of Redmond analysis and outcomes

Heather Richards presented the City's candidate site selection process (PowerPoint). The City chose to focus on identifying a 200+ acre site and based on the analysis the optimal location was in south Redmond, east of Highway 97. She reviewed the tasks the City completed for site selection:

- Task 1: Initial analysis of site. City staff evaluated all 200+ acres sites in the City regardless of whether they were already serving local employment land inventory needs, current zone, or geographical specifics outlined in the Analysis. Heather explained that they wanted to maintain transparency and so performed a broad evaluation of all lands. Through this process they identified two potential sites – one was a combination of land within and outside City limits on the north-east side of Redmond and the other was on the south-east side Redmond.
- Task 2: Definition of zone. The City worked to develop a definition for the large lot industrial zone with the planning commission. They determined a minimum lot size of 50 acres and defined limited use to traded sector (subordinate uses include service commercial and retail), although the City is holding off on adopting the zone until it has a site endorsed by COIC. They used Hillsboro as a model for mitigating impact on neighboring properties (noise relative to property line, etc). Heather added that 1000 Friends was a part of the working group. Annette asked about the interpretation of higher education as traded sector. Heather explained that the DLCD verified that higher education would be an appropriate land use. Karen added that it is a universally available interpretation of the Oregon Administrative Rules.
- Task 3: Gauging interest of property owners. The City sent certified letters to property owners that included a preliminary site analysis and a copy of the LLI Zone. They conducted a meeting with property owners and asked them to sign a certified letter of interest. The letter included a statement of willingness to zone as LLI and retain

for 10 years, willingness to maintain original parcel size until primary traded sector use was secured, willingness to sell at market consistent price, and willingness to hold future infrastructure investments. Annette asked what would happen if the owner wanted to parcel out before 10 years. Karen explained that they are not sure since the parcel should revert back to being outside the UGB but it is tough to get a property out of the UGB after it has been incorporated. Heather explained that two property owners expressed interest (one had a property that wasn't originally included because it was mixed-use employment but the City determined that it could be considered industrial).

- Task 4: Recon level analysis. Recon analysis included a topographical survey from the County, GIS layer from the Natural Gas Company, transportation analysis (while the City does not conduct analysis for properties outside the UGB, they knew that the system would be constrained for the site on the north-east side of town), a determination of water/sewer facility/infrastructure capacity and needs, and unfortunately electrical utility information is considered proprietary. One key issue was that the development of the north-east site would be dependent on the east side sewer receptor being brought over, while the south-east site had a pump station very close. Heather added that she didn't know how effective the process would have been if not for a variety of planning processes that coincidentally were going on at the same time and provided them with a lot of necessary information.

City staff elected to move forward with the south Redmond site due to a variety of factors: rail spur opportunity, transportation capacity (extending 19th street), proximity to Bend workforce, ability to expand, and water/sewer infrastructure stubbed right to the property.

Next steps for the City included adopting the analysis and modeling the site this fall. They hoped to submit an application to COIC in December for Board review in February.

Heather was asked about the basis for estimating transportation and sewer demand. She explained that they use an average number of employees per acre. For Redmond, the Economic Opportunities Analysis uses 7 employees per acre. Scott Edelman added that this can be deceiving, because for projects like the data centers there are only 30 employees on hundreds of acres. Gary Farnsworth asked if there were any notable pros and cons to the site being owned publicly or privately. Heather explained that all of the sites were publicly owned. Karen added that they had assumed most interested property owners would be public sector because the long process required patience and a willingness to commit to a 10 year moratorium on accepting another more attractive deal.

Peter emphasized the difference between a 200 acre and 50 acre site and the dynamics that would play into incorporating a smaller site. Annette added that the Regional Solutions Team had looked at using the Trip 97 tools for the LLI project. Karen added that they could use the alternate mobility standards for traded sector jobs and Gary agreed that the Trip 97 methodology could be very useful.

The group was unclear whether a 900 acre lot (incorporated through the LLI process) could be broken up as long as it always maintained a 200 acre parcel, or whether it would have to remain a 900 acre lot. Karen suggested that if the user wanted to break off a 50 acre parcel they would have to do a re-assessment to be sure there wasn't another 50 acre parcel already available to fill the need. There was general disagreement over whether the parcel had to remain whole or could be divided. Heather added that Redmond was intending to lock the site in the same acreage as it came and not allow it to be split up.

Tom Hogue added that LLI is meant to be a regional process that includes each community fulfilling a different niche while working cooperatively and that the COIC Board would be acting as the referee.

Gary requested further perspective as to how important the availability of the rail spur was to selecting the south Redmond site. Heather explained that they felt it was important to choose a property with as many advantages as possible, even if some potential users wouldn't need rail.

Andrew thanked the City of Redmond for putting together a template that could be used by other cities in the region.

3. Next Steps

Andrew explained that the next step for COIC was to determine the application process.

a. COIC Role

COIC agreed (through Board resolution and as per the OARs) to act as the regional coordinating entity for the project. From their perspective, the COIC staff role includes: communication, acting as an information clearinghouse, technical assistance as Cities identify properties, managing the intergovernmental agreement, convening, and engaging stakeholders and ensuring that the approach works for each of the entities. The COIC Board role was to receive site proposals, ensure that communication is taking place, ensure that a site is qualified and fits in regional allocations. COIC also anticipates the potential for some conflict resolution if multiple properties are proposed for the same category of need.

b. Website/Communications

Andrew passed out the working draft of the Application Procedure for site proposals. He emphasized that COIC wanted feedback, comments and ideas on the working draft. He explained that the draft would be posted on the COIC webpage and that they planned to take it to the COIC Board in October or November.

Action Item: Email the Large Lot Industrial webpage address to the group.

Action Item: Post draft Application Procedure on the LLI webpage.

c. Site proposal process/timeline

Andrew explained that COIC was planning a quarterly schedule for accepting site proposals. He emphasized that they had difficulty determining requirements for infrastructure availability/serviceability of the site. He explained that they tried to quantify what serviceability means - the willingness to extend water and sewer after annexation and the timeline for hook up. Tom suggested adding the different providers to the list since the cities are not always the providers of water and sewer.

d. Dialogue/feedback on process

Annette asked what value the letters of support from the business community (EDCO) would provide. Andrew explained that the letters provide additional information to the COIC Board and provide another layer of vetting to the process. Karen explained that the letters were a part of the ongoing thread of ensuring that the identified site would serve an apparent market. The largest concern expressed by 1000 Friends was that this process was just a land grab. The letters from business representatives show that they believe the property would have some market value. Peter continued that recruiting businesses to sites is very challenging and many would only visit if the region had a diversity of sites available. The genuine intent of the process was to make sure that the people who know the region are comfortable saying that adding the property to the UGB would contribute to the region and build on our portfolio.

Roger Lee commented that it would behoove the process to have the private sector continue to get behind it. He also suggested that they maintain flexibility as they move forward. For example, if a business needs 100 acres on the rail spur will they be turned away because they don't need 200 acres?

The group continued to discuss the letters of support. Tom explained that the letters could help COIC sort out competing sites and determine which site is better to fill a certain need. Sierra asked if the sites would be ranked. Andrew explained that with enough up-front communication and engagement, the COIC Board hopefully will not have to officially rank sites.

Sierra asked whether the sites would require certification. Karen responded that she didn't believe they had discussed certification. Sierra added that there are programs that can be leveraged through certification. Members agreed that this would be a logical next step for sites.

Annette asked about why transportation analysis was not required. Karen explained that it would have to be dealt with in the UGB expansion process. Gary suggested that Items 6 and 9 include transportation. Peter reminded the group that one key component of the COIC review process was that it would not turn into a land use decision. Gary added that he assumed they would be working with the City, and the City in turn would work with state agencies for the tie-ins to infrastructure (i.e. ODOT for transportation needs).

The group briefly discussed how the TRIP97 tools could be utilized. Heather and COIC staff agreed to review the recon analysis that the City of Redmond used in order to guide the analysis form that COIC would use – including highlights like connection to sewer, water, power and transportation. Tom stated that it was important to realize that the COIC Board would use the form to recognize broad fatal flaws in sites but that the individual Cities and landowners would discuss the sites in more detail.

The group also discussed the timeline after the COIC vetting process and whether an endorsement of a site would expire if services were not brought in a timely manner. John suggested including a "readiness to proceed" requirement for the City. Roger suggested that 2 years be the timeline and Karen added that it should be measured from the beginning of the application process.

Andrew explained that COIC would use the feedback to create a second draft of the site proposal process. He also asked if there were any other projects in other communities. Scott Edelman shared that Prineville already has two 160 acre sites and are unlikely to identify others to add. Roger suggested a more focused conversation with La Pine and Madras about lands that have potential. Andrew shared that COIC was planning to meeting with City of Madras staff.

Andrew thanked the meeting attendees for coming and the meeting adjourned at 4pm.